



**NATIONAL RURAL DEVELOPMENT PARTNERSHIP**  
1400 Independence Avenue, SW \* Room 4225, MS 3205 \* Washington DC 20250

August, 3 1998

EX PARTE OR LATE FILED

The Honorable William E. Kennard, Chairman  
Federal Communications Commission  
1919 M St., NW, Room 814  
Washington DC 20554

Dear Chairman Kennard:

In instructing the FCC to reorganize the Rural Health Care Corporation, the Schools and Libraries Corporation, and the Universal Services Administrative Company Congress specified that the new plan, "Take into account the distinct mission of providing universal service to rural health care providers," and "The specialized knowledge and expertise of SLC and RHCC should be maintained in a unified structure." While adequately meeting their other objectives, the USAC plan of reorganization (CC Docket Nos. 97-21, 96-45 and DA 98-1336) falls short of meeting these two very essential goals explicitly set by Congress.

The plan presented by the FCC does not include representation that would allow for the maintenance of a distinct and strong rural health care voice. In the proposal there is only one rural health care representative included in the 18 member board of directors. This lack of representation is unacceptable. The underrepresentation of health care not only threatens the voice of rural health care in the USAC board, but weakens the ability of the new organizational structure to administer the rural health care program. Since the seven member committees are composed entirely of directors, only one member of the committee charged with administering the rural health care program will have significant experience with rural telemedicine.

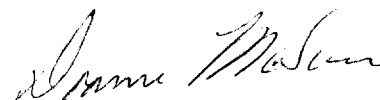
If the rural health care committee "will have responsibility for the programmatic functions" for the rural health care universal service program than we believe, at the very least, the rural health care committee should contain a majority of individuals with significant rural health and telehealth experience. This would put the rural health care committee on equal footing with the schools and library committee which will include the four board members representing schools and libraries. Congress specifically recognized the unique nature of providing telecommunications to people in rural and frontier areas, and the rural health care committee will need specific expertise to fully appreciate and meet rural health care needs.

To accomplish Congress's objectives the proposal needs to be amended. Adding three more rural health care and/or telehealth directors to the board of directors addresses both of our concerns. The representation of rural health care will then equal the representation of schools and libraries. Furthermore the four rural health and telehealth directors will ensure that the rural health committee contains a majority of members with rural health and telehealth experience.

The National Rural Development Partnership (NRDP), through 36 State Rural Development Councils and a National Rural Development Council, brings together federal, state, local, and tribal governments, as well as the private for-profit and non-profit sectors, to work in partnership for the improvement of rural America's communities. As part of the NRDP, the Health Care Strategic Change Initiative works to build partnerships that will lead to maintaining and improving the health of rural Americans into the next century. We believe telehealth will play an integral part of providing health care to rural populations in the future. Unless some effort is made to increase the rural health representation in the new USAC structure then we oppose the merger proposal. Please address any questions or comments to Jamal Harris at (202) 205-3505.

Sincerely,

  
Joe Barker  
Co-Chair,  
Health Care Strategic Change Initiative



Dianne McSwain  
Co-Chair  
Health Care Strategic Change Initiative



Members of the Health Care Strategic Change Initiative of the National Rural Development Partnership

Joe Barker *Co-Chair*  
Executive Director  
West Virginia Rural Development Council

Susan Gay  
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Hiroshi Kanno  
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Robert Clark  
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Indiana Rural Development Council

JoAnn Myers  
Coordinator, Office of Rural Health  
Kentucky



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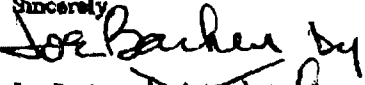
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Joe Barker  
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 WNRDC Chair

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